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**Notice on Recording of Financial Expenses (Foreign Exchange Losses) and Revisions to Full-Year
 Financial Forecasts**

PHC Holdings Corporation (hereinafter referred to as "the Company") hereby announces that the Company recorded financial expenses (foreign exchange losses) in the third quarter of this fiscal year and that the Board of Directors meeting held on February 12, 2026 resolved revisions to the full-year financial forecast for the fiscal year ending March 31, 2026 (April 1, 2025 through March 31, 2026), which was previously announced on November 12, 2025, considering the recording of the aforementioned financial expenses, as follows:

1. Recording of Financial Expenses (Foreign Exchange Losses)

In the third quarter of this fiscal year (October 1, 2025 through December 31, 2025), foreign exchange losses of JPY 3,632 million were recorded as financial expenses due to fluctuations in the foreign exchange rates. This is primarily due to the foreign exchange valuation related to Euro-denominated loans from the consolidated subsidiaries of the Company. As a result, the total foreign exchange losses for the nine months ended December 31, 2025 are JPY 10,474 million.

2. Revisions to consolidated financial results forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

	Revenue (Million JPY)	Operating profit (Million JPY)	Profit before tax (Million JPY)	Profit (Million JPY)	Profit attributable to owners of parent (Million JPY)	Basic earnings per share attributable to owners of parent (JPY)	*Adjusted EBITDA (Million JPY)
Previously announced forecasts (A)	363,100	20,000	8,000	4,500	4,400	34.80	47,800
Revised forecasts (B)	363,100	20,000	4,400	2,000	2,000	15.82	47,800
Change (B - A)	-	-	(3,600)	(2,500)	(2,400)	(18.98)	-
Change (%)	-	-	(45.0)	(55.6)	(54.5)	(54.5)	-
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2025)	361,593	22,580	18,823	10,364	10,485	83.13	50,095

(Note) Adjusted EBITDA is calculated with the following formula:

Adjusted EBITDA = EBITDA + one-time income and expenses

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

* Adjusted EBITDA is not a measure in accordance with IFRS. However, the Company believes that this disclosure may be useful information to investors.

3. Main reasons for this revision

Incorporating the foreign exchange losses described in the section 1 above, the full-year financial forecast has been revised. Regarding revenue, operating profit, and adjusted EBITDA, the results up to the nine months ended December 31, 2025 have progressed, exceeding expectations compared to the previously announced forecast. However, reflecting the market outlook conservatively, the total amounts and segment breakdowns remain unchanged.

Incorporating the foreign exchange losses recorded in the third quarter of this fiscal year and the related tax expenses, profit before tax has been revised downward by JPY 3.6 billion to JPY 4.4 billion. Profit attributable to owners of parent has been revised downward by JPY 2.4 billion to JPY 2.0 billion.

Please note that the year-end dividend forecast of JPY 21 (JPY 42 annually) remains unchanged considering that most of the foreign exchange losses are unrealized valuation losses that do not involve cash flow.

Reference: Forecasts of business performance by segment (No changes from the previously announced forecast)

Segments	Revenue (Million JPY)	Operating profit (loss) (Million JPY)	Adjusted EBITDA (Million JPY)
Diabetes Management	99,000	18,200	23,400
Healthcare Solutions	131,300	8,100	18,800
Diagnostics and Life Sciences	128,100	3,000	13,700
Head office and Others	4,800	(9,300)	(8,100)
Total	363,100	20,000	47,800

* Starting this fiscal year, the Company reviewed its headquarters' functions and transferred some of the headquarters' roles to each business division. As a result, the breakdown of operating profit and adjusted EBITDA by segment was revised on August 7, 2025.